

TOURISM : AN ORGANIZATIONAL ASPECT

LEE MEI YIN

NO. MATRIK 039088

PROJEK PENYELIDIKAN

BAGI MEMENUHI SEBAHAGIAN

DARIPADA SYARAT-SYARAT UNTUK

IJAZAH SARJANA MUDA SASTERA

JABATAN ANTROPOLOGI DAN SOSIOLOGI

UNIVERSITI MALAYA

KUALA LUMPUR

SESSI 1983

## Synopsis

Pelancungan menerangkan pergerakan sementara manusia ke kawasan-kawasan di luar tempat kediaman mereka dan aktiviti-aktiviti serta kerja mereka semasa berada di kawasan-kawasan ini. Sebahagian besar pergerakan ini bersifat antarabangsa dan kebanyakannya adalah aktiviti masa lapang.

Kepentingan pelancungan hanya dikenali secara resmi lebih kurang empat puluh tahun dahulu. Tetapi industri baru ini telah berkembang begitu cepat sehingga kepentingan dikenali di seluruh dunia. Industri pelancungan telah menjadi faktor penting dalam perdagangan dunia dan adalah satu unsur utama dalam imbalan pembayaran untuk ramai negara.

Pelancungan adalah satu fenomena nyata. Keadaan di mana satu populasi melawat ke tempat-tempat di luar kediaman biasa mereka adalah satu pernyataan taraf hidup dan kualiti hidup. Ia merupakan satu tekanan yang terlihat oleh modenisasi terhadap alam sekitar.

Kajian ini bertujuan untuk melihat peranan sesebuah pertubuhan pelancungan dalam industri pelancungan. Suatu kajian kes, di buat di Malaysia.

Bab 1 kajian ini menerangkan maksud pelancungan untuk menjelaskan fungsi-fungsi dan aktiviti-aktiviti yang biasa dilakukan oleh sebuah pertubuhan pelancungan.

Bab 2 melihat industri pelancungan di Malaysia dan jenis industri yang wujud supaya jelas kepada kita mengapa industri pelancungan di Malaysia diuruskan sedemikian.



Dalam Bab 3 kajian ini menerangkan tentang aspek-aspek organisasi industri pelancungan, jenis-jenis dan tingkat-tingkat organisasi yang terdapat.

Bab 4 mengemukakan organisasi industri pelancungan di Malaysia.

Sebagai kesimpulan, peranan pertubuhan pelancungan dalam industri pelancungan akan ditentukan.

## Introduction

### Tourism

Tourism denotes the temporary, short term movement of people to destinations outside the places where they normally live and work and their activities during their stay at these destinations. Much of this movement is international in character and much of it is a leisure activity.

The importance of tourism only began to be officially recognised about forty years ago. However, this new industry expanded so fast that its importance is now universally recognised. The industry has become an important factor in world trade and a major element in the balance of payments of many countries.

By its very nature, tourism is a conspicuous phenomenon as we shall see. The incidence of a mobile population visiting places outside their normal domicile is an expression of living standards and of quality of life. It is one of the visible pressures which modern civilization exerts on the environment.

### Objectives and Scope of Study

This study is designed to determine the functions and role of a tourist organization in the running of the tourist industry. The study will describe the organization of tourism in Malaysia and the work of the Tourist Development Corporation of Malaysia or the TDC, the body incharge of the tourist industry in Malaysia.



The approach of this study is Sociological in nature with heavy stresses on the organization of tourism as a result of the tourist products available in Malaysia and vice versa.

Chapter 1 introduces the tourist phenomenon - the contents of the industry and the various aspects it involves to indicate the role of the tourist organization and the functions it has to perform.

Chapter 2 devoted primirily to tourism in Malaysia. The findings if this study have presented the type of industry that exists in the country.

The following chapters delve into the organizational aspects of tourism with the example of a relatively young industry in Malaysia.

In conclusion, this study endeavours to provide a summary of the findings in previous chapters and to determine the role of the tourist organization in line with the objective of this study.

### Research methodology

#### Interview

Unstructured, focused interviews were used for this study. This enabled the writer freedom to include further questions that came to mind during the interviews. This added to the collection of data and at times have assisted in introducing more facts to widen the scope of study and in establishing the topic of study.

#### Content Analysis

In an attempt to secure more detailed information, the methodology of content analysis was used. Records of tourist statistics from the TDC were utilized, and this analysis has contributed to successful



completion of the research. These records have enabled the writer to secure more data and directed the research towards a topic of study not having suffered from "over-study".

#### Problems encountered during the study

The first major problem encountered in the research was the selection of the topic to be studied in the tourist industry. From content analysts findings, studies on aspects like the socio-economic impacts of tourism and management of tourism have been frequently carried out.

Modifications to the initial research topic had to be done throughout the study as more information was gathered.

A relatively unresearched topic was finally decided upon after much deliberation with the help of the supervisor of this research and from data already collected.

A major difficulty faced was in remaining objective throughout the research. From information gathered through interviews, it was evident that the respondents offered information that was already present in content analysis findings.

#### The Limitation of the Study

The problems mentioned were partly due to the limitations of the study. It would have been fortunate to have been able to visit some tourism projects under construction or already completed to ascertain the work done by the TDC. At the same time, interviews with local development authorities about their efforts besides those of the TDC would have given a cleaner picture of the actual tourism situation. It would have been interesting to see the amount of change a tourist destination has experienced and the impact on the environment and people and the



powerplay between the tourist organization and other related tourism bodies.

On completion of this project paper, it is only apt that I express my sincere thanks to those who have made it possible.

I wish to thank Dr Raymond Lee, the Supervisor of this project paper for his invaluable help and guidance received through the process of this research.

I am also indebted to Mr Michael Tay of the TDC for his valuable suggestions and information regarding this research and also to various TDC officers for their time and cooperation.

I am grateful to the librarians of the following bodies for their generous assistance:

Tourist Development Corporation, Kuala Lumpur

City Hall, Kuala Lumpur

My gratitude is also extended to Miss Susan Tay for typing out the final piece of work.

University of Malaya

Kuala Lumpur

1983



## Acknowledgement

On completion of this project paper, it is only apt that I express my sincere thanks to those who have made it possible.

I wish to thank Dr Raymond Lee, the Supervisor of this project paper for his invaluable help and guidance received through the process of this research.

I am also indebted to Mr Michael Tay of the TDC for his valuable suggestions and information regarding this research and also to various TDC officers for their time and cooperation.

I am grateful to the librarians of the following bodies for their generous assistance:

Tourist Development Corporation, Kuala Lumpur  
City Hall, Kuala Lumpur

My gratitude is also extended to Miss Susan Tay for typing out the final piece of work.

University of Malaya

Kuala Lumpur

1983



<u>Contents</u>	<u>Page</u>
<u>Synopsis</u> .....	ii
<u>Introduction</u> .....	iii
- Tourism .....	iii
- Objectives and Scope of Study .....	iii
- Research Methodology .....	iv
- Problems Encountered During the Research .....	v
- The Limitations of the Study .....	v
<u>Acknowledgements</u> .....	vii
<u>List of Charts</u> .....	x
<u>Chapter 1 The Tourist Phenomenon</u> .....	1
1. The Meaning and Nature of Tourism .....	2
1.1 Tourist Destinations .....	4
1.2 Tourist Services .....	4
1.3 The Tourist Product and Markets .....	5
2 Types of Tourism .....	6
2.1 Cultural Tourism .....	6
2.2 Nature Tourism .....	7
3 Determinants and Motivators of Tourism .....	9
3.1 A high Standard of Living .....	9
3.2 The Degree of Urbanization .....	9
3.3 Demographic and Socio-Economic Factors .....	10
3.4 Tourist Services .....	10



<u>Contents</u>	<u>Page</u>
3.5 Tourism Promotion .....	10
3.6 Actions of the Tourist Industry .....	10
4. The Impact of Tourism .....	11
4.1 Economic .....	11
4.2 Political .....	12
4.3 Imperialism .....	12
4.4 Social .....	12
4.5 Appreciation of Cultural Relativity .....	12
<u>Chapter 2 Tourism in Malaysia</u> .....	13
An Overview .....	18
<u>Chapter 3 Organization of Tourism in Malaysia</u> .....	24
Part I - Politics, Planning and Control .....	24
Tourist Organization .....	28
<u>Chapter 4 Organization of Tourism in Malaysia</u> .....	34
Part II - The Tourist Development Corporation of Malaysia .....	34
Conclusion .....	34
Bibliography	



Chapter 1

<u>List of Charts</u>	<u>Page</u>
Chart 1 : Growth in Tourist Arrivals 1977-1982 .....	18
Chart 2 : Growth in Tourist Receipts 1977-1982 .....	19
Chart 3 : Organizational Chart of the TDC of Malaysia .....	33

Ever alert to potential income, government agencies at every level have thoroughly analyzed the characteristics and flow of visitors, making tourism one of the best researched topics in history.

Tourism is an industry spanning several industrial classifications and academic discipline impeding the development of a good bibliography. The literature tends to cover selected parts of tourism rather than the phenomenon as a whole. There are books on the structures of the hotel and catering industry, promotion of tourist centres, management of tourism, impact studies of tourist centres and a host of other subjects, and studies on the organizational aspects of tourism have so far merely served as guides to the government agencies and tour-related organizations and individuals and students of tourism on how to manage the tourist industry as a business venture.

Social scientists have observed the growing worldwide impact of tourism, but have begun their work in field notes and only occasionally published articles. The thorough legitimizing of tourism as an academic discipline by the American Anthropological Association, there is a growing body of literature in this field. This also indicates widening global concerns with the impacts of tourism as a social, cultural and economic phenomenon and the effects it may generate.



## Chapter 1

### The Tourist Phenomenon

Tourism, presently one of the world's largest industries created an estimated 325 million tourist arrivals in 1980, according to the International Union of Official Travel Organizations (IUOTO). In Malaysia alone, there were 1.5 million tourist arrivals in the same year.

Ever alert to potential income, government agencies at every level have thoroughly analyzed the characteristics and flow of visitors, making tourism one of the best researched topics in history.

Tourism is an industry spanning several industrial classifications and academic discipline impeding the development of a good bibliography. The literature tends to cover selected parts of tourism rather than the phenomenon as a whole. There are books on the structures of the hotel and catering industry, promotion of tourist centres, management of tourism, impact studies of tourist centres and a host of other subjects. And studies on the organizational aspects of tourism have so far merely served as guides to the government agencies and tour-related organizations and individuals and students of tourism on how to manage the tourist industry as a business venture.

Social scientists have observed the growing worldwide impact of tourism, but have buried their data in field notes and only occasionally published articles. But through legitimizing of tourism as an academic discipline by the American Anthropological Association, there is a growing body of literature in this field. This also indicates mounting global concern with the importance of tourism as a social, cultural and economic phenomenon and the effects it may generate.

The tourist phenomenon can be described in financial terms, in terms



of movement and number of arrivals at destination countries, and by the length of stay at the destination countries. Lastly, tourism can be described in social terms which is central to the social science studies especially of the impact between those in tourist areas (hosts) and the tourists themselves (guests).

It is in view of the socio-economic impacts of tourism that a look into organizational aspects of the industry is required. The aim of this study is to attempt to determine the role of the tourist organization in the development of tourism. The focus of this study is the Tourist Development Corporation of Malaysia which is the organizational backbone of tourism in the country. The study will look into the mechanics of the TDC, management policies, functions and its relationship with other tourism-related bodies. Other tourism-related organizations and individuals will only be dealt with superficially.

First, it is essential to distinguish the tourist phenomenon, the determinants of tourism, motivations to travel and impacts of tourism. This study touches peripherally on economic studies that are statistical in nature as we are only primarily concerned with the organizational aspects of tourism.

## 1. The Meaning and Nature of Tourism

Tourism is difficult to define since business travellers and convention-goers can combine conferences with tourist-type activities; no unique and comprehensive classification of tourism can adequately serve all purposes. Most classifications\* combine one or two of the

\* Raymond Norouha, Social & Cultural Dimensions of Tourism: A review of the literature in English, draft report 1977.



following dimensions: characteristics of the tourist (income group, life-style, educational background etc); characteristics of the tour (duration, no. of countries visited); mode of organization (individual arrangements or packaged tours); types of facilities used (mode of transport, accomodation); and reason for the trip (business, pleasure etc). Recently, classification based on tourist attitudes towards the tourism experience and the meaning they attached to it have been used. Stages of tourism development is also an ordering principle.

In defining tourism, it is useful to distinguish between conceptual and technical definitions. The concept of tourism provides a motional, theoretical framework which identifies the essential characteristics and distinguishes tourism from similar, often related, but different phenomena.

The definition of tourism adopted by the International Association of Scientific Experts in Tourism (AIEST) is:

" Tourism is the sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected with any earning activity. "

Tourism is distinguished from migration because of its short-term nature. It is a pleasure activity where time and money is often used with discretion. Conceptually tourism is distinguished in particular from the related concepts of leisure and recreation on the one hand, and from travel and migration on the other hand.

A technical definition of tourism takes into account the different categories of travel and visits, the time element of stay at a particular destination and also recognizes particular situations to determine whether they are or not regarded as tourism, for example sea cruises and



transit traffic.

### 1.1 Tourist Destinations

Historically, resorts have been the main centres of tourism. But due to rapid growth of individual means of transport and the hotel industry (mini-resorts in themselves) and setting-up of recreation centres, marketing and development in tourism is no more confined or related to the traditional inland or coastal resort.

The tourist destination is a geographical unit visited by a tourist. It may be a self-contained centre, village, town or city, a district or a region, an island, country or continent. The success of this tourist destination is determined by 3 prime factors: attractions, accessibility and amenities of the destination. In order to maximise opportunities for tourism, a tourist destination must also have a tourist organization to provide a framework in which tourism can operate to develop the tourist product and to promote it in appropriate tourist markets. In that sense, organization constitutes a fourth factor which determines the importance and success of a tourist destination.

### 1.2 Tourist Services

The journeys and stay of tourists is a demand for a wide range of services which include:

- 1.2.1 Passenger transport to, from and at the tourist destination.
- 1.2.2 Accommodation, catering and entertainment which are primary services.
- 1.2.3 Travel agent and tour operator. The former is the middle man between the tourist and providers of transport and accommodation



while the latter organizes functions in which he combines the individual components of a holiday into a product, which is then marketed on his own account and risk.

- 1.2.4 Currency and documentation, information services, sightseeing and shopping.

From a marketing point of view, if tourists constitute the demand, tourist services represent the supply in the market. This may describe tourism as an industry since there is a link between demand and supply in tourism. From this we can also analyze the impact of tourism on the tourist destination.

### 1.3 The Tourist Product And Markets

The tourist product comprises the elements of the trip, what a tourist does on his way to a destination and when staying there. As a whole, the tourist product is what a tourist buys, what he does at the destination and the services he uses to make it possible.

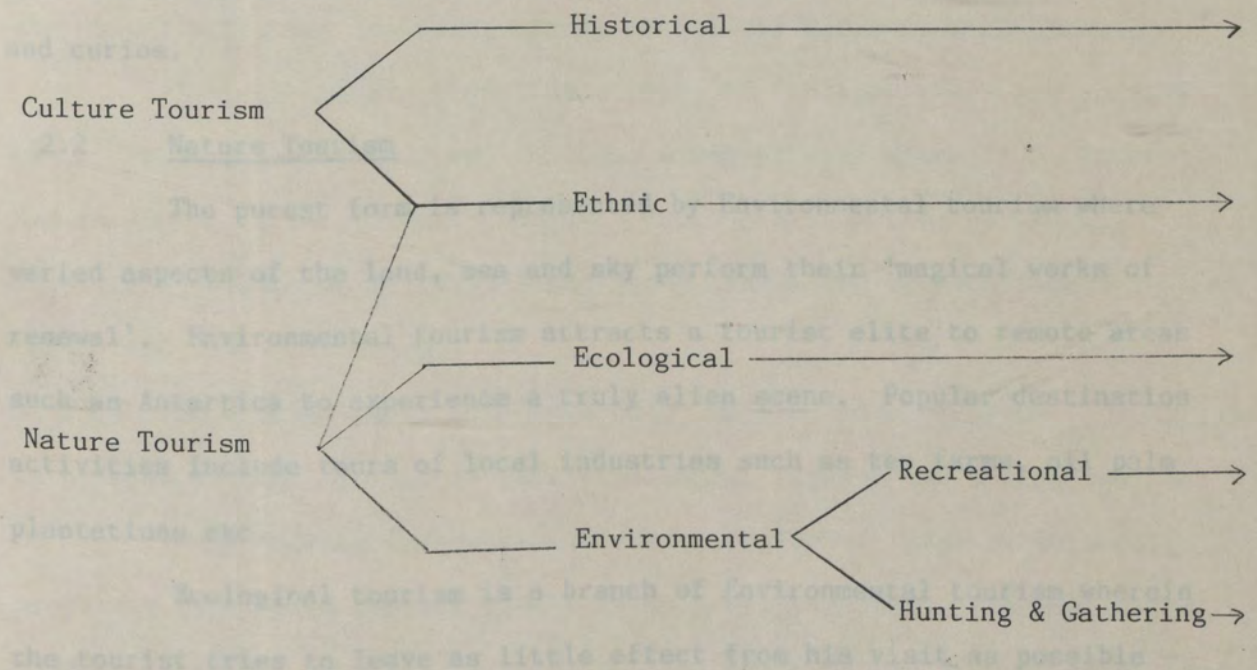
Corresponding to each tourist product is a tourist market. The development of the tourist product is usually determined after a study of the potential market. It is the function of marketing to identify homogenous groups of tourist, to influence the development of tourist products and convey information of products to the potential tourists.

The composition of the tourist phenomenon itself explains the existence of various types of tourism and tourists, determinants and motivations and impacts of the industry as we shall see.



## 2. Types of Tourism

Tourism can be divided into two broad headings: Nature Tourism and Cultural Tourism, then subdivided again into various forms of tourism as shown in the diagram:



Different forms of tourism can be defined in terms of the kinds of leisured mobility undertaken by the tourist.

### 2.1 Cultural Tourism

Cultural tourism includes the 'picturesque' or 'local color', a vanishing life-style that lies within human memory with its 'old style' houses, home-spun fabrics, house or ox-drawn carts and ploughs and hand-made crafts.

Historical tourism is the museum-cathedral circuit that stresses the glories of the past. Favored destination activities include guided tours of monuments and ruins. Historical tourism tends to attract many



education-oriented visitors.

Ethnic tourism is marketed to the public in terms of 'quaint' customs of indigenous and often exotic peoples. Destination activities that stimulate tourism include visits to native homes and villages, observation of dances and ceremonies and shopping for primitive wares and curios.

## 2.2 Nature Tourism

The purest form is represented by Environmental tourism where varied aspects of the land, sea and sky perform their 'magical works of renewal'. Environmental tourism attracts a tourist elite to remote areas such as Antarctica to experience a truly alien scene. Popular destination activities include tours of local industries such as tea farms, oil palm plantations etc.

Ecological tourism is a branch of Environmental tourism wherein the tourist tries to leave as little effect from his visit as possible - concentrating perhaps on photographs and tape recordings - rather than the opposite, Hunting and Gathering tourism. The latter includes environmental tourism and nature appreciation, including hunting, wherein little thought is given to impact, and at least some souvenirs are brought home.

Recreational tourism is often sun, sand, sea and sex - promoted by beautiful color pictures that makes you 'wish you were there'. Destination activities center upon participation in sports, curative spas, or sunbathing, as well as good food and festive entertainment.

Each tourist type has its own special scale of values and its



hierarchy of prestigious places. However, two or more kinds are frequently combined in one trip. For instance one might visit the 'A Famosa' in Malacca (Historical) and then go to Port Dickson for the sun, sand and sea! (Recreational).

Within these categories of tourism, there are an almost infinite variety of substyles including class, ethnic and national variations.

Besides the afore mentioned types of tourism, there are certain basic distinctions of tourism, ie those drawn between domestic or internal and foreign or international tourism. Another distinction of growing importance is between individual and group travel and between independent travel and inclusive tours.

Some other terms have been often applied more or less discriminately to tourism, in particular mass, popular and social tourism.

Mass tourism refers to the participation of large numbers of people in tourism, a general characteristic of developed countries in the 20th century. It is a quantitative notion, based on the proportion of the population participating in tourism or on the volume of tourist activity.

In comparison, popular tourism is a qualitative notion meeting with a wide acceptance by people, because of their attractiveness and availability and especially at a low price.

Social tourism is participation in tourism of people of limited means and with the measures to encourage this participation and to make it possible. The concept of social tourism is largely based on subsidies, special facilities and other measures, sometimes of a cooperative nature, sometimes by the state or another third party.



### 3. Determinants and Motivators of Tourism

Historically, the development of tourism has been determined by economic and social factors on the one hand and by providers of tourist services on the other hand; these factors explain the conditions which have made it possible for people to engage in tourism. When these conditions are created, it is necessary to consider why people wish to become tourists, ie, what are the motivations of tourism.

It is said that man is a restless, nomadic creature and his basic instinct to explore will never be snuffed out. In the same light, Berlyne\* suggested that all human life tries to maintain a preferred level of arousal and seeks artificial sources of stimulation... to make up for shortcomings of their environment (Berlyne 1968 p. 170)

A journey is seldom without purpose. It is important to know the reasons why a person makes the decision to travel; this the main function of marketing divisions of any tourist organization, the travel agent or tour operator who has to act on this propensity to travel to increase sales of their tourist product.

Among the main determinants of tourism are:

- 3.1 A high standard of living which manifests itself in high disposable incomes, reduced hours of work and lengthening of holidays with pay.
- 3.2 The degree of urbanization. Generally, the more urbanized a country, the greater the propensity to travel. We assume that urbanization results in a higher standard of living, industrialisation, pressures of modern living, pollution which increases the need to 'get away from it all'.

\* Berlyne, D.E. 1962 New Directions in Motivation Theory in Anthropology and Human Behavior.



- 3.3 Demographic and socio-economic factors such as age distribution, terminal levels of education, occupation structure and population concentration.
- 3.4 Tourist services. The availability, quality and price of the tourist product exercises a significant influence on the level of participation in tourism. They influence pattern and the distribution of tourist flows, the magnitude and overall volume of tourism.
- 3.5 Tourism promotion. In all countries in which the participation of tourism is significant, the communication and information environment is dominated by the mass media. Newspapers, magazines, films, radio and television, play a major role in the marketing of most consumer products. Tourism promotion is instrumented in creating and fostering a tradition of travel generally, as well as to particular destinations, and in placing tourism in the range of purchases in which it did not figure before.
- 3.6 Actions of the tourist industry which can enhance the natural growth of tourism, brought about by economic and social determinants.

In the search for the determinants of tourism the discussion has been concerned with economic and social factors and with the influence of the providers of tourist services, which stimulate the growth of tourism. When the reasons why people wish to become tourists are considered, we are dealing with motivations. In examining motivations, it is useful to distinguish between two broad groups of travellers - those who have to visit a particular place which includes businessmen and common interest travellers such as those visiting friends and relatives; and tourists in the pure sense which have a freedom of choice.



Motivations to engage in tourism include among others the need to be elsewhere and to escape the routine, constraints and stresses of everyday life, excitement renewal and self-fulfillment to those who value individualism, mental and physical health, social status and diverse, exotic experiences.

In conclusion, it appears that whilst long-term determinants of tourism can be identified with some certainty and show some degree of stability over a long period of time, motivations to tourism are less precise and tend to change more frequently.

#### 4. The Impact of Tourism

The importance of tourism was formally acknowledged when the 21st U.N. General Assembly designated 1967 as the International Tourist Year with a unanimous resolution recognizing that 'tourism is a basic and most desirable human activity deserving the praise and encouragement of all peoples and all governments.'

The effects of tourism can be assessed along a continuum from a highly positive relationship that benefits all, to a highly disruptive, negative interaction. The effects are dependent on the type of tourism, the expectations of the tourists, and the host's ability to provide appropriate facilities and destination activities. The 2 major bases for conflict and stress appear to be economic and social.

Impacts of tourism include:

- 4.1 Economic - generating wage employment, yielding valuable foreign exchange, sustaining necessary transportation networks by augmenting their payloads. On the negative side, the tourist industry can disrupt



## Chapter 2

a local economic system. For eg, a native population might abandon subsistence agriculture to enter the tourist labor force to acquire greater cash income. Local food production declines, imported goods are increased, all other services increase in cost and inflation spirals.

Development of an area otherwise lacking in natural resources and agriculture output.

- 4.2 Political - local manipulation of power to favor recreational tourism over more basic subsistence industries may prove divisive and split a once cohesive community into political factions.
- 4.3 Imperialism - where outsiders control the industry and to whom profits flow.
- 4.4 Social - effects of tourism upon the lives and world views of an indigenous population are subtle and usually only recognized by the people themselves.
- 4.5 Appreciation of cultural relativity and international understanding but governed by the time factor and attitude of host and guest.

In short, to a host population, tourism is often a mixed blessing: the tourist industry creates jobs and increases cash flow but the tourist themselves can become a physical as well as a social burden, especially as their numbers increase.

\*\*\*\*\*



## Chapter 2

### Tourism in Malaysia

Being a latecomer to the tourism scene, Malaysia is fortunate to have her tourist industry still in its formative stage as she is in the position to learn from the mistakes and achievements of other tourist destination countries. However, this distinct advantage may be rendered void if she fails to consider and appreciate the changes taking place in the world of travel today. General world economic conditions has in no small way imposed restrictions on travel. Despite these changes, tourism is still an important economic activity and will in the foreseeable future remain the single largest international trade item.

The history of tourism development in Malaysia has not been based on any organised pattern but rather as a natural result of modernisation and development. Though tourism has been known to exist since the prewar days of Malaya, it is only since the 1972 PATA\* conference that it achieved the acknowledgement and status befitting its stature.

In the past, tourism has developed and centred largely around the 'gateway' cities of Malaysia - its growth being solely attributed to the country's strategic geographical location. Lying between the two major destinations in S.E.A. (viz Bangkok and Singapore), Malaysia is a convenient stopover for the transient tourist. As such, tourism has flourished in the major gateway cities but unfortunately the benefits have not been fully felt in other parts of the country.

Significantly, Malaysia's strategem in the fiercely competitive business of tourism is selling herself as a clean destination: a land of pristine beauty, contrasts, friendly people and natural scenic attractions.

\* PATA - PACIFIC-ASIAN TOURIST ASSOCIATION. Malaysia was host of the 1972 PATA Conference.



The government's policy on tourism can be seen in the Tourism Development Programme of Malaysia\* which is an attempt to identify the natural scenic attractions of Malaysia and it sets forth recommendations to develop the tourist industry. The TDP can be divided broadly into two sections:

1. Visitor Industry Analysis - which discusses the visitor market and its revenue earning potential.
2. Development Programme - which contains the recommendations for the tourism industry plant development as well as other related development.

The principal objectives of the TDP are:

- a) to outline the programme of tourism development that will fully utilise the natural attractions, potentials and social attributes in Malaysia.
- b) to provide a basis upon which Malaysia may develop her tourist potentials in an orderly and balanced manner.
- c) to establish priorities such that investment will ensure maximum satisfaction and optimum return.
- d) to recommend a development programme that is consistent with the cultural, social, economic and environmental philosophy expressed by the Government.
- e) to examine sites for potential tourist development.

The programme will be used to assist the TDC in the creation of a self-sufficient and economically viable tourist industry and to be used as a basis to ensure the orderly development of the tourist industry in the country in line with the Government's New Economic Policy.

\* Malaysia Tourist Development Programme Summary.



The TDP is to ensure that tourism will not be underrated or overlooked in the Government's effort to diversify the economy of the country.

The main emphasis of the tourism policy is to develop new and improve existing tourist destinations within the country and to effectively sell these areas together with their tourist products to tourists both local and foreign.

The organization of the tourism industry in Malaysia is handled by Governmental and non-governmental agencies. As in other countries, individuals and firms engaged in tourism have come together in a variety of organizations to further their common interests. These organizations in Malaysia can be divided into two main categories i.e. sectoral organizations that are based on the main groups of providers of tourist services and tourist organizations which are based on tourist destinations.

Under sectoral organizations we have:

- i) Voluntary organizations of individuals which range from professional bodies to trade unions, and
- ii) Official organizations both statutory and non-statutory.

The tourist organization is defined by reference to the interest of a geographical area as a tourist destination, which may be a country, region or an individual town. In Malaysia, the TDC or its National Tourist Organization handles tourism on the national level while state Tourist Development Organizations are in charge of tourist development at state level.

In the following chapters we will study the organization of tourism in Malaysia in greater detail.

We will next take a look at the tourism experience in Malaysia, in



terms of what the country has to offer the tourist in the way of attractions, entertainment, recreation and various other tourist products in its tourist destinations.

Tourist destinations in Malaysia have been divided into four different Regional Package holidays to enable the tourist to experience and to see as much as possible of Malaysia in one short visit. The holiday regions are Kuala Lumpur/Malacca, Penang/Langkawi, East Coast and Sabah/Sarawak. Each package can be bought individually or in combination with one or more of the other three. These destinations offer a diversity of attractions, emphasizing Malaysia as a 'tropical wonderland' with extravagant greenery, white sandy shores, a multitude of cultural festivals portraying its multi-racial peoples and various 'things to do' in Malaysia.

These tourist destinations have modern, international standard accomodation facilities, are easily accessible and each boasts of its own individual personality. Each is distinct from the other in terms of the tourist services and products they have to offer.

Malaysia offers both nature and cultural tourism. Nature tourism is present in its beaches and seaside resorts, the National Park, hill and mountain resorts and forest reserves. Here, the tourist has a vast range of activities to choose from - horseriding, swimming, shooting the rapids, jungle photography, hiking, mountain-climbing, surfing, deep-sea fishing, etc, or have lazy, tranquil days.

In terms of culture tourism, the tourist can expect exotic architecture, historical buildings, countryside villages, experience the traditional Malaya, works of art, filigree silverware, batik and 'songket', see giant kites flown, top spinning, see giant leathery turtles come to nest,



watch dance drama and shadow puppet shows and still see cultures innocent to the ways of 'civilized mankind'. The tourist can participate in indigenous to modern activities, cultural shows, discos, nightclubs, television, theater and cinema.

We now have a fair idea of Malaysia's tourist attractions and the image it 'sells' to the tourist.

To supplement existing tourist facilities in Malaysia, several tourist development projects are underway to increase beach resorts, hotels, motels and hostels, improve present communication systems, airports, railways, build more commercial, sports and cultural centres etc. These projects are aimed at providing better facilities and amenities to tourists from developed countries who to a certain extent expect to find western amenities at holiday resorts. Naturally, marketing and promotion activities are targeted towards industrialised countries that have high standards of living and have bigger 'spending' power. By raising the standards of the tourist product, this dissuades 'shoe-string' and 'off-beat' tourists but one has to be taken not to make it impossible for the local population to enjoy their own holiday resorts. Therefore alongside international standard hotels one can still find hotels and privately owned bungalows that can be rented out for a modest fee, especially at beach and hill resorts.

In the following chapters we will see the functions of the TDC in developing tourist destinations in Malaysia.

One may ask why so much emphasis is being placed on the role of tourism in Malaysia as it only ranks seventh after rubber, petroleum, tin, sawn logs, palm oil and sawn timber in the national economy. Perhaps an



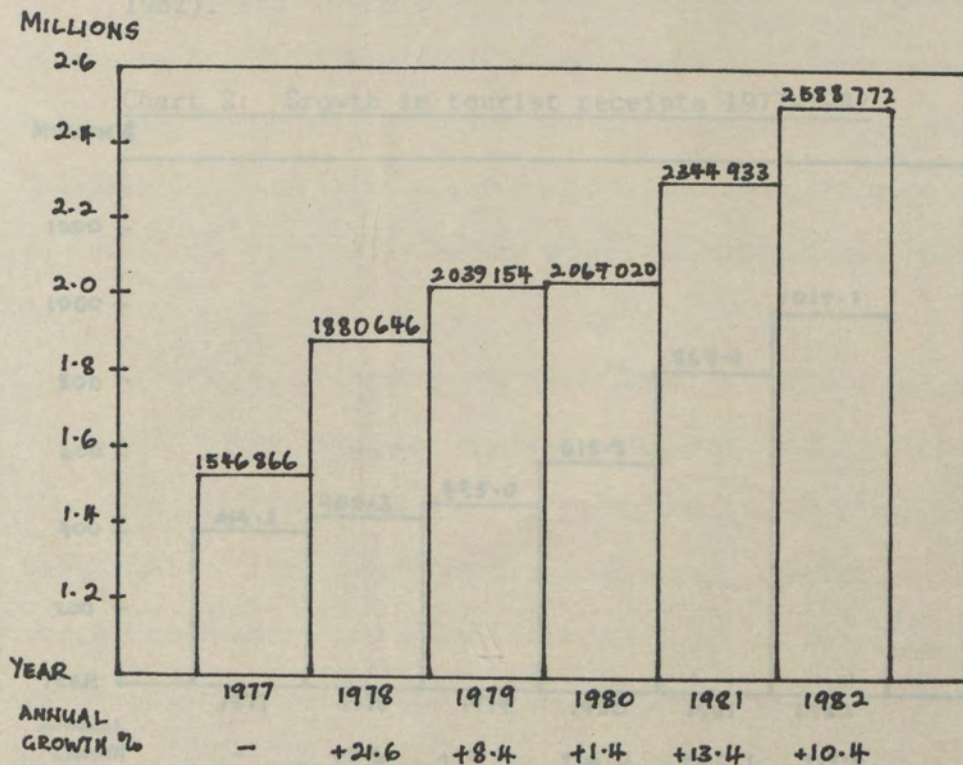
assessment of the statistics involved in tourism would help to explain the current trend in tourism today.

As an indication of the volume of tourist arrivals etc, we take a look at the tourist statistics\* of 1982.

#### An Overview

1. In spite of a general slowdown in the world economic situation, Peninsular Malaysia recorded an increase in tourist arrivals. Foreign tourist arrivals totalled 2.589 million in 1982 as compared to 2.345 million\* in 1981, an increase of 10.4%. Long haul tourist traffic showed a decrease while ASEAN tourist traffic registered an increase particularly from Thailand and Singapore (by land).

Chart 1: Growth in tourist arrivals 1977-1982



\* Issued by the Research & Training Division of the TDC of Malaysia.

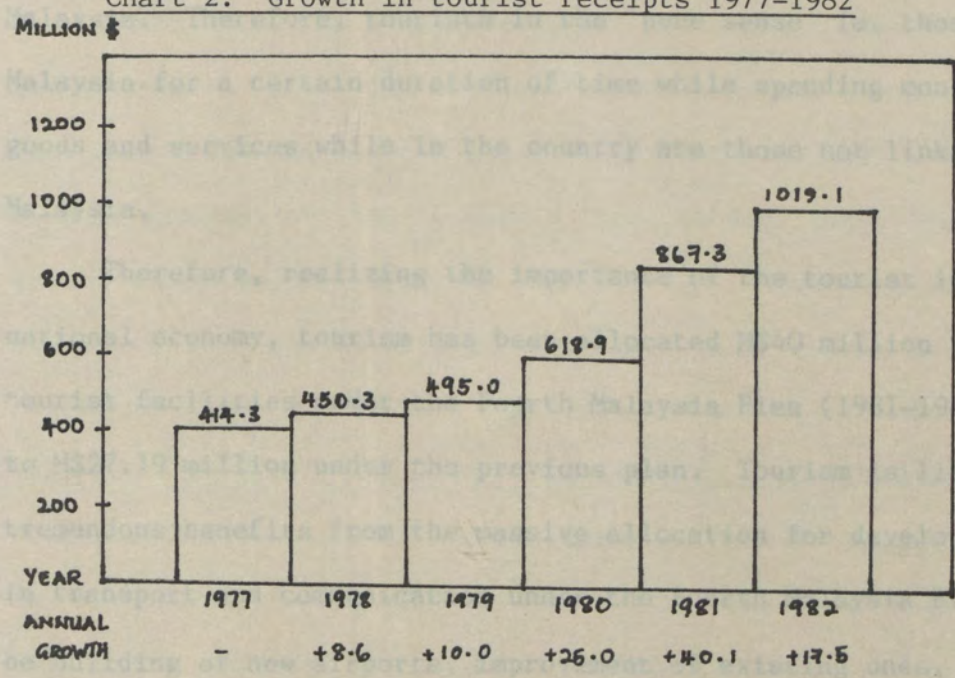
\* See Chart 1 - Tourist Statistics 1982

Research & Training Division, TDC



2. In 1982 there were 820 hotels with a total of 28,913 rooms and in that year alone, there were 21 new hotels coming up with 1024 rooms.
3. There was a drop in average occupancy rate of international class hotels from 64% in 1981 to 58.9% in 1982. This is mainly due to economic recession where there was a decline in major long-haul markets especially from Australia, U.K., Continental Europe and the U.S. An increase in the average hotel rate and the rise in service tax (late 1982) from 5% to 10% also contributed to this decline in occupancy rates.
4. Receipts from tourism increase from M\$867.3m in 1981 to M\$1019.1 million\* in 1982. This was due to the increase in length of stay of tourists (increase from 4.6 nights in 1981 to 4.7 nights in 1982) and the increase in per diem expenditure (from M\$80 in 1981 to M\$84 in 1982).

Chart 2: Growth in tourist receipts 1977-1982



\* See Chart 2 - Tourist Statistics 1982 - Research & Training Division, TDC



5. ASEAN countries were the main source of tourists, making up 76% of total tourist arrivals.
6. The present trend of travel has shifted from long-haul markets to regional markets.

The statistics show that there has been a general sustained growth in visitor arrivals. Yearly fluctuations are due to the world economic situations and different policies of governments regarding travel.

Thailand and Singapore are the two main sources of tourist arrivals. Thailand registered an increase of 52% in tourist arrivals while Singapore registered an increase of 7.4%. A more realistic view of these figures is required. Malaysia serves as a convenient road link for Thai visitors to Singapore and vice versa. Only a negligible amount of money is spent by these 'tourists' in Malaysia. Also, the flow of Malaysian currency to Singapore is relatively larger than the flow of Singapore dollars into Malaysia. Therefore, tourists in the 'pure sense' ie. those who stay in Malaysia for a certain duration of time while spending money purchasing goods and services while in the country are those not linked by land to Malaysia.

Therefore, realizing the importance of the tourist industry in the national economy, tourism has been allocated M\$40 million to build up tourist facilities under the Fourth Malaysia Plan (1981-1985) as compared to M\$27.19 million under the previous plan. Tourism is likely to reap tremendous benefits from the massive allocation for development projects in transport and communication under the Fourth Malaysia Plan. There will be building of new airports, improvement of existing ones, new railway and



road development programmes, consolidation and enrichment of the national culture through building of more national art galleries, museums, etc, increased wildlife protection, new tourist destinations in the country, increased accomodation facilities and so on.

At this point another question arises as to whether tourism is a blessing or a blight, in other words, will the pros of tourism outweigh the negative results and impacts of the industry on the environment and the people? Tourism can be seen as a passport to development or at the other extreme a major force in developing socio-economic friction between host and guest. On the one hand, tourism can generate employment, increase foreign cash flow into Malaysia and see the development of rural areas, new and better transport and communication facilities and a general rise in the standard of living of locals. On the other hand, tourism can be instrumental in affecting the social structure and mode of life at tourist destinations. Due to over development and introduction of foreign facilities and activities, a tourist destination may lose its identity becoming nothing more than a 'playground for the rich'. The local way of life at these tourist destinations has to change to accomodate the tourism industry and social stress becomes apparent when tourism invades the privacy of daily lives. To protect the integrity of their value system as a basis of group solidarity, the people whose culture is an object of tourism may try to transfer the 'front stage' in their lives to a private sector, removed from tourist view. Failing that, their culture is commoditized and sold 'by the pound', making of individuals and their traditions little more than the 'quaint customs' of so-called 'primitive' people.



Tourism can be disruptive when it reinforces the desire for socio-economic aspirations that are not locally attainable. Luxurious hotels - with big bathrooms, daily clean linens and sumptuous meals - often stand in stark contrast against local standards. Still more subtle are the effects of tourism upon local social systems as young people in traditionally closed societies especially in the East Coast states of Malaysia observe the freedom of movement of tourists. Villages tend to form negative images of western culture that no amount of government propaganda can get rid of. Likewise, tourists may return home with the negative image that Malaysian natives are hostile, suspicious creatures.

Tourism is not new, neither is it past tense. The brokers of tourism-governments, carriers and tour operators have expertly translated the expanding economy into marketable tour packages, low-cost charters and off-season fares designed to encourage and sustain foreign travel. The human motives for travel are universal, and as more countries achieve industrialization, Malaysia can expect an increase in tourist arrivals.

The tourist of tomorrow for which the tourism industry is building today is likely to be more demanding in his/her need for luxury in travel as his choice of destination. It is the uniqueness of a product and a completely new experience that he would seek and it is with this framework that Malaysia must orientate herself to, if she is to obtain a fair share of the tourist traffic to this part of the world.

This formidable task lies in the hands of the TDC of Malaysia which has the responsibility of shaping the industry, assuming the role of catalyst in the physical development of tourism facilities, assisting, complementing and augmenting the efforts of the private sectors. At the



same time, it sees itself as contributing directly and indirectly towards the social and economic development of the country.

## Organisation of Tourism in Malaysia

### Part I - Politics, Planning and Control

How tourism is organized in a country is important since policy decisions will determine whether tourism is developed at all, what type of tourism is attracted, how large it grows, and the size of the benefits it generates.

Malaysia is one of many countries which promote and actively encourage tourism and the private sector has been given a predominant role in tourism development in line with the Government's Privatisation policy.

Since the establishment of the TDC of Malaysia, Malaysia has consciously regulated the nature and quality of services and prices, but within these limits real estate operators, foreign entrepreneurs in the tourism business, tour operators, and foreign travel agencies are given great freedom of action. In its quest for foreign currency, Malaysia has reduced restrictions on the acquisition of real estate by the private sectors including foreigners, on the setting up or operation of foreign enterprises in Malaysia, and on the repatriation of profits. Moreover, the government takes an active role in the tourism industry, running a network of reasonably priced government rest-houses and bungalows.

Thus the ideological context of tourism development in Malaysia leans towards individualism, free enterprise and capitalism. There is active stimulation of the private enterprise tourism sector by giving entrepreneurs substantial aid and incentives at potential tourist centres.

In an economy such as Malaysia's, an important component of its tourism policy is to reconcile any conflict between the pursuit of private



## Chapter 3

### Organisation of Tourism in Malaysia

#### Part I - Politics, Planning and Control

How tourism is organized in a country is important since policy decisions will determine whether tourism is developed at all, what type of tourism is attracted, how fast it grows, and the size of the benefits it generates.

Malaysia is one of many countries which promote and actively encourage tourism and the private sector has been given a predominant role in tourism development in line with the Government's Privatisation policy.

Since the establishment of the TDC of Malaysia, Malaysia has consciously regulated the nature and quality of services and prices, but within these limits real estate operators, foreign entrepreneurs in the tourism business, tour operators, and foreign travel agencies are given great freedom of action. In its quest for foreign currency, Malaysia has reduced restrictions on the acquisition of real estate by the private sectors including foreigners, on the setting up or operation of foreign enterprises in Malaysia, and on the remittance of profits. Moreover, the government takes an active role in the tourism industry, running a network of reasonably priced government rest-houses and bungalows.

Thus the ideological context of tourism development in Malaysia leans towards individualism, free enterprise and capitalism. There is active stimulation of the private enterprise tourism sector by giving entrepreneurs substantial aid and incentives at potential tourist centres.

In an economy such as Malaysia's, an important component of its tourism policy is to reconcile any conflict between the pursuit of private



profit and the desire for social gains. Being a developing country, Malaysia promotes tourism to earn more foreign exchange, to increase national income and employment and also to achieve development of backward areas. Tourism here is not promoted as an alternative to another economic activity unlike small economies that are poor in natural resources and may have few alternatives to the promotion of tourism in aiming for these goals. Rather, Malaysia has alternatives as to the scale and speed with which to develop tourism in the country. Thus the main emphasis of tourism plans and policies has been upon increasing the gross returns from this activity in terms of higher foreign exchange earnings or more visitors (as statistically shown in the previous chapter).

The people who enjoy, or suffer, the main impacts of tourism are those who live in the communities in the tourist destination areas. The defense of community interests demands that those interests be formulated, and then that they be defended with the right kinds of executive instruments. These tasks would seem to be best carried out by those who have an intimate knowledge of local conditions, needs, and wishes, together with an interest in seeing those wishes implemented. However, local authorities that are endorsed with the legal powers to regulate the effects of tourism through planning controls and responsibilities for municipal services, often lack the human resources to grasp the issues involved, or the community has little or no legal authority to deal with development, such powers being vested in the Federal Government or the TDC. Securing local participation in planning decisions is bound to be more time-consuming than an approach which relies heavily upon the exercise of national powers to expropriate land or make exceptions to general use. Thus a community-based approach therefore



may cut severely into the profits that promoters might otherwise expect.

Government policies, decisions, and plans reflect both the broad balance of power in the society and the development strategy which that balance implies. The government is concerned about problems posed by unrestrained physical development and willing to think of zoning and other building regulations. Knowledge, communication and organization are the basic assets and sources of power of foreign enterprises for promoting and developing tourism. But these resources are not equally necessary for all parts of tourism in Malaysia. At one end of the spectrum, Malaysia has to rely heavily on foreign operators to package and market tours. At the other end of the spectrum is the provision of facilities in the destination country, including not only hotels but also handicrafts, excursions and so on. In these areas the need for foreign partners is not so evident, although there may be benefits from foreign expertise and organizational abilities at the start.

In the case of hotels, foreign expertise may be needed in hotel design and management, but not all hotels in Malaysia are foreign owned for example the Regent of Kuala Lumpur is owned by Chong Kok Lim & Sons. The transnational hotel chains are useful from the point of view of marketing, since they are well known and help to establish standards of service. They will generally fill key positions with expatriates who know from experience with the company how such a complex organization operates. The replacement of expatriates and the training of local staff to make this possible is a policy which is vigorously pursued; it is also an issue taken up in negotiations, particularly in large projects. For example, tour operators and travel agencies are obliged to employ local staff unless persons with



the required skills are not locally available. A more detailed study of the politics, planning and control of tourism in Malaysia is evident in the Government's tourism policy as mentioned in the previous chapter and is enforced by its national tourist organization, the TDC of Malaysia.

First, we take a look at the different tourism organizations found in Malaysia with a brief view of the sectoral type of organization and in the main to tourist organizations.

There are two main categories of tourism organizations that exist in the country (as previously mentioned) : sectoral organizations, based on the main groups of providers of tourist services, for example hotels and tourist guides, and tourist organizations which are based on tourist destinations, for example the PDC (Penang Dev Corp) which promotes tourism in Penang. There are numerous other bodies with an indirect interest in tourist, often governmental or statutory, for example City Hall of Kuala Lumpur but will not be considered specifically as it is not directly relevant to the study.

### Organization in Sectors

Individual industries engaged in tourism have several types of organizations, divided into voluntary and official organizations.

Voluntary organizations of individuals include professional bodies and trade associations.

Professional bodies are organizations of individuals engaged in a particular occupation or group of occupations, normally of the nature of a vocation or calling, requiring a long period of training or learning, which seek to provide standing and prestige for their members, and which control admission, usually by examination. Therefore, professional bodies



adopt certain defined standards and members qualify for admission by formally meeting these standards, agreeing to observe them once they are admitted into membership. The standards are normally based on standards of competence shown in knowledge and experience, and often also on standards of conduct in the exercise of their occupation. The Kuala Lumpur Tourist Guides Association (KLTGA) and MALAYSIAN Association of Hotels (MAH) are examples of such bodies in tourism in Malaysia.

Trade associations are voluntary bodies formed by independent firms in a particular industry or a group of industries to protect and advance their common interest. Their principal functions are representation, in which they act as channels of communication with the Government and other organized groups, and services to members, in which they provide information, advice, and assistance to their members in the conduct of their businesses. To a varying extent trade associations are also concerned with the regulation of competition in their industries. One or more trade associations, such as the Malaysian Hotel and Restaurant Association have in membership firms in accommodation and catering. The Kuala Lumpur Tourist Association is a prominent example of a trade association with representation by the Malaysian air carrier MAS, the Department of Civil Aviation, the Police, the TDC and Road Transport Department among others.

### Tourist Organization

As distinct from sectoral organizations concerned with particular industries participating in tourism, the tourist organization is defined by reference to the interests of a geographical area as a tourist destination. The tourist organization provides the framework in which tourism operates. Its purpose is to maximise the opportunities offered by



tourism to the destination.

We have seen earlier that the determinants of success are, in the first place, the tourist qualities of a destination - the attractions, accessibility, and facilities. The extent to which these are present, the mix of the three, exercise the most important influence; the tourist organization cannot by itself create a tourist boom where the destination qualities are deficient. However, when the three qualities, and in particular the attractions, are present, the tourist organization can develop and promote the tourist product, and enhance the success of the country as a tourist destination.

In any destination a variety of interests are involved in tourism. The government is concerned at all levels. Although the government concern is usually dominated by the needs of the resident population, it has to reconcile the needs of residents. Owners of tourist sights and attractions and a variety of providers of tourist services derive a greater or lesser part of their revenue from tourism; although each of them usually provides only one component of the total tourist product, each of them has an interest in the destination extending beyond his immediate contribution to it. There is therefore a need for co-ordination of all those concerned with tourism at particular destinations and this is provided by the tourist organization.

Its scope is usually two-fold. In the first place the tourist organization can formulate and develop the tourist product or products of the destination; secondly, it can promote them in appropriate markets. It bases its approach to development and promotion on market research and thus achieves a close match between the products and the markets. In doing this



the tourist organization is acting on behalf of all interests in tourism and on behalf of the whole destination and is complementing to the development and promotion activities of individual providers of tourist services; it also has to harmonize the activities meeting the needs of the tourists with those of residents.

The approach to and the type of tourist organization in a particular country are influenced by a number of background influences in that country.

The first is the political and economic system. In Malaysia, where there is a centralized government, this is reflected in the tourist organization, the TDC of Malaysia.

Secondly, the tourist organization tends to reflect the importance of tourism to the national economy. In Malaysia, where tourism is important there is a Government Department wholly concerned with tourism ie the TDC.

Thirdly, the tourist organization tends to reflect the stage of tourism development in the country. As tourism is relatively new in Malaysia, where the prospects and the rates of growth are good, and where the government takes a strong direct interest in its development, a centralized form of tourist organization with statutory powers provides the means to rapid growth and development.

In Malaysia, there are three basic levels of tourist organization - national, regional and local.

At the national level, tourism is a government responsibility to formulate a tourism policy. Such a policy clarifies how tourism is seen in the context of the national economy, what objectives are to be pursued, how tourism enters into national and regional planning; these objectives



can be then translated into quantified targets and rates of growth. When the role of tourism is defined, the policy provides a statement of the means by which the objectives are to be attained; the means cover such matters as the administrative arrangements, the respective roles of private and public sectors, and the fiscal arrangements.

Having defined its broad policy on tourism, the government delegates its detailed formulation and its execution to the TDC. The government exercises a general policy rate, and to a greater or lesser extent also a directing role in relation to the TDC, and is the channel through which the state provides finance.

Regional tourist organization is an intermediate level between the national and local levels. Malaysia has 4 distinct holiday regions in its tourist itinerary as previously mentioned and the TDC through its Regional Coordinating Committees controls tourism at the regional level.

The two main functions of development and promotion of the tourist organization exist in respect of every tourist destination. They are best performed at the level of each destination and this creates a need for a third level of tourist organization structure. This enables tourism issues within specific areas to be dealt with by tourism interests in those areas, taking advantage of the knowledge and initiative in each destination.

Local tourist organization or rather State Development Corporations as they are called in Malaysia represents the oldest form of tourist organization. Its main emphasis in physical development has been on the needs of the residents rather than of visitors. But soon information services for visitors at the destination were added on. With the growth of visitor traffic, the need for planned development has assumed greater proportion of importance.



Local tourist organization is based on local government. This is on the one hand, recognition of the significance of tourism to a locality and, on the other hand, of the complementary nature of the requirements of the resident population and of tourists.

The tourist organization does not exist and function in isolation. Although its main relationship is with the tourist, but in development and in co-ordinating the efforts and interest of all involved in tourism, there are many links and cross-relationships between the tourist organization and other organizations at all levels.

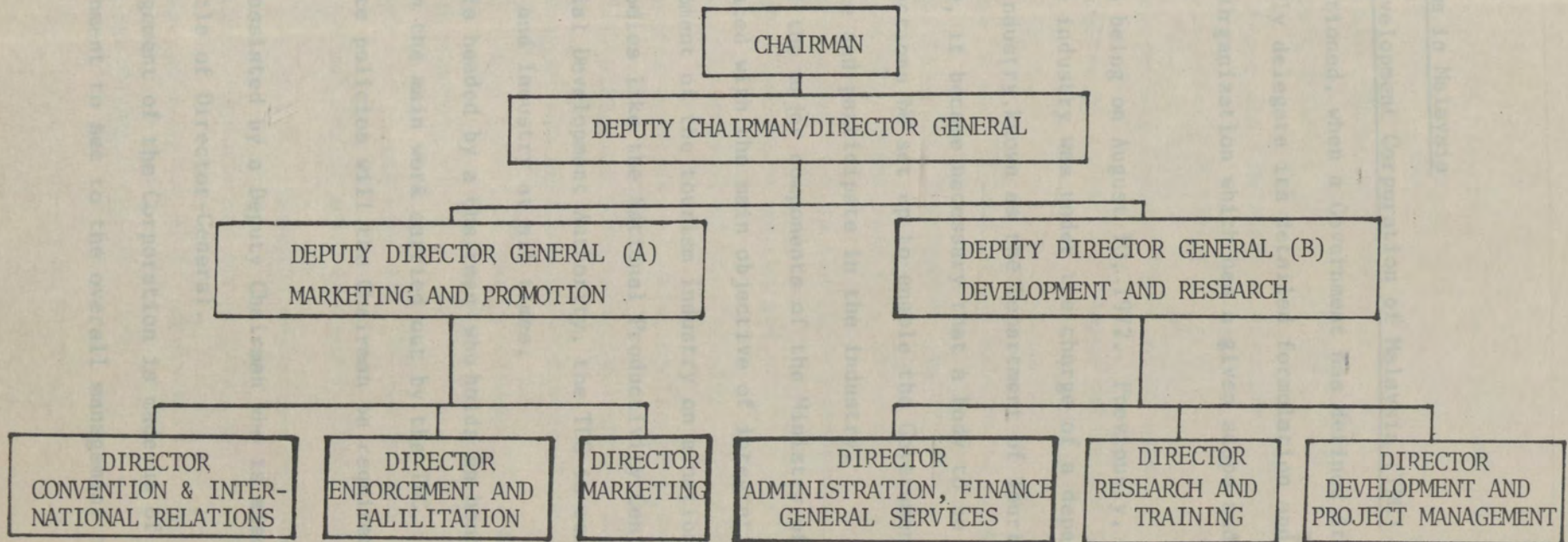
Two main links are established at the national level. One is with the sectoral organizations, which represent various types of operators in tourism; the other is with a multitude of organizations which are concerned with such common and related matters as the environment, travel and recreation. According to the nature and status of the TDC, these cross-relationships find an expression in the membership of the boards, councils and committees of the tourist organization. Strength of the tourist organization and its effectiveness can be to a great extent determined by the way it works with others.

In the following chapter we will study the functions of the TDC of Malaysia in its role as the National Tourist Organization of Malaysia.

\*\*\*\*\*



ORGANISATION CHART  
TOURIST DEVELOPMENT CORPORATION





## Chapter 4

### Organisation of Tourism in Malaysia

#### Part II The Tourist Development Corporation of Malaysia (TDC)

As previously mentioned, when a Government has defined its policy on tourism, it will usually delegate its detailed formulation and execution to a National Tourist Organization which has a given scope and sphere of influence.

The TDC came into being on August 10, 1972. Previously, the planning and development of the industry was under the charge of a department in the Ministry of Trade and Industry, known as the Department of Tourism. As tourism grew in importance, it became necessary that a body to be charged with special powers and functions be set up to enable the Government to effectively regulate, promote and participate in the industry.

The TDC is one of the major components of the Ministry of Trade & Industry. It was created with the main objective of integrating and co-ordinating the development of the tourism industry on a nationwide basis. Together with other bodies like the National Productivity Centre (NPC) and the Malaysian Industrial Development Authority, the TDC is responsible to the Ministry of Trade and Industry at all times.

The Corporation is headed by a Chairman who holds an honorary position and is not involved in the main work carried out by the TDC. Only in matters pertaining to corporate policies will the Chairman be required to participate in decision-making.

The Chairman is assisted by a Deputy Chairman who is also the Chief Executive with the title of Director-General.

The Board of Management of the Corporation is made up of members appointed by the Government to see to the overall management of TDC.



The Internal Organisation comprises of six divisions, namely:

1. Marketing Division
2. Development and Project Management Division
3. Research and Training Division
4. International Relations and Conventions Division
5. Enforcement and Facilitation Division
6. Finance, Administration and General Services Division.

Each Division is headed by a Director, supported by Assistant Directors and other offices.

The main activities of the TDC are in the spheres of marketing and promotions, research and training, development, international relations and necessary enforcement work undertaken on a national basis.

The Corporation's main function is that of a coordinator. According to the TDC Act 1972, the Corporation is charged with the function of co-ordinating the activities in respect of the industry, conducted by governmental and non-governmental agencies. It advises the Government on the methods and means of regulating and developing this industry. In addition, it advises the Government on the policies it should adopt to implement Government objectives; and on behalf of the Government, it can also participate actively in this industry.

In order to achieve its objectives, the TDC has to work closely with the private sectors. In one way or another each division has a relationship with the private sector. It disseminates and advises them on the policies of the Government, assists and encourages them to organise their industry, and of course, as a feedback, it receives their views on the needs of the industry.



As mentioned, the two main operational activities on a national basis are in the fields of marketing and development, both of which have to be closely linked. In the process, it has naturally to cover the various sectors of the industry involving itself in marketing and promoting Malaysia as a tourist destination, conducting research and assisting in the training of necessary personnel for the industry; looking after Malaysia's international relations, building up an enforcement division to carry out enforcement measures for the Government, and studying and stimulating the physical development of the industry for example, tourist plants like hotels and recreation facilities.

The TDC encourages the formation of various associations, councils and committees representing the industry and is usually a member of these. This is to regulate standards to be maintained by the tourist enterprises, to register and control tourist guides and tourist agencies and to classify and designate tourist hotels. Apart from these, the TDC also liases with various departments of the Government for example Customs and Excise, the Immigration Department, the Road Transport Department, the Police, the Civil Aviation Department and the national air carrier, MAS (Malaysian Airline System).

The TDC is empowered to participate directly in the development of the industry, subject to the approval of the Minister. But as compared to other Government agencies, the carrying out of projects by the TDC does not necessarily undergo the usual delay of redtape unless more funds are asked for. Thus the TDC is an independent organization, although Governmental. The Corporation can enter into equity participation in the development of tourist enterprises and facilities-either on its own or with others. The



TDC and local state development authorities as they fail to understand the reasons why certain states are allocated a larger sum of money or why in some cases they might not receive an allocation from the TDC. The TDC has to take into account the extent of development in the different areas therefore it cannot afford to allocate an equal sum to each state.

At present, the more developed tourist areas in Malaysia are in the West Coast of the Peninsular, It is the objective of TDC to shift the development and activity of tourism to include the East Coast states and Sabah and Sarawak. This would indicate the emphasis of tourist promotion campaigns on this areas.

The TDC 'sells' and promotes Malaysia's tourist products in the tourist generating markets overseas to include buying decisions by prospective customers in these markets and also strives to create an awareness of Malaysia among its locals with a view to stimulate domestic tourism.

The following are some examples of promotional activities undertaken by the Marketing Division of TDC.

1. Carrying out extensive advertising campaigns in selected newspapers, periodicals and other publications, thus assisting tour operators in their efforts to package tours to the country. The diversity of Malaysia's attractions constitutes its main selling points as a holiday destination.
2. Participation in international and regional tourism exhibitions, trade fairs, seminars and workshops.
3. Organisation of sales missions to create better understanding of various attractions and facilities available and persuade major tour wholesalers to include Malaysia in their programme.



4. Hosting of foreign journalists, travel writers, travel agents and film crew on educational familiarization tours as part of a hospitality programme.
5. Establishments of information centres abroad as well as in Malaysia.

The division uses the mass media widely, undertaking radio, television and other publicity programmes to generate tourism in Malaysia among local travellers. For example, there is the 'Malaysiaku' advertisement on television and for the overseas markets, documentary films about Malaysia are screened on television and in cinemas.

Public relations are required to augment TDC's marketing activities particularly in markets which are too large for overseas managers to handle. TDC therefore retains the services of Public Relations Agencies to assist in publicising Malaysia.

The task of making Malaysia known internationally is a long term proposition. The TDC has to be selective in the type of tourists to be aimed at and of the means within the available resources to reach and influence them. It is difficult to progressively break down the general ignorance about Malaysia as a tourist destination among the 4 billion inhabitants of the world. It is a recognised fact that to promote Malaysia on as broad a spectrum as possible to cover all the major tourist generating markets in Europe, Japan, Australia and the United States will require resources far beyond the means and capacity of a country like Malaysia, hence the need to be selective of the tourist markets targeted at.

Marketing activities complement activities undertaken by the Development and Project Management Division of TDC. The division undertakes planning at both macro and micro levels besides seeing to development, project management, coordination and advisory services. At the macro



level, the division engages in formulation of development strategies and concepts. From statistics made available by the Research and Training Division, suitable areas for development will be identified. Once a specific area has been designated for development, the division will have to determine the specific projects, facilities and amenities to be set up and the degree of implementation of these. The next step is to determine the appropriate sources of funds which can come from the Government or from the private sector or both. Before contractors can start work, the division will liaise with state government or federal agencies on matters pertaining to land, infrastructure, transport etc.

In micro-planning, the division conducts project studies which includes elements of market identification, projections and flexibility analysis. Long range feasibility studies are conducted by contracted foreign firms on areas to determine the feasibility and potential of the areas as tourist destinations.

It is through the availability of statistics that the TDC is able to implement its projects and other activities. Thus a comprehensive and reliable set of statistics relating to the tourist industry is required to assist tourism policy-makers, planners and investors in their decision-making process to further develop the industry more competitively. The major constraint faced is in obtaining statistics from tour-related organizations and firms. These statistics might not be accurate, or there may be a lack of them. Some firms may not meet the deadline in handing in their data. At the same time, incorrect figures may be intentionally or unintentionally given. Also, statistics may show a figure that does not give a true picture of a situation in the industry. For example, one



cannot generalize that the large number of Thai visitors to Malaysia over the past year are tourists in the pure sense. As mentioned previously, these are transient visitors who do not spend a substantial sum in Malaysia.

The TDC ensure's that the industry's needs for training programmes itself, such as Training Courses for Tourist guides, Travel Agency Courses and others, the training of which has not been catered for by any training institution in the country viz ITM and NPC, or to coordinate within the latter institutions the training of other manpower needs.

Besides the two main areas of marketing and development an increasing emphasis is being placed on enforcement. Obviously, there is the need to regulate and control the activities of tourist enterprises. Control is established by passing of laws and restrictions on the activities of tourist enterprises. A problem faced is non-cooperation or lack of it by some of these enterprises. Again friction exists between TDC and these enterprises. TDC has to control the price, quantity and quality of the tourist product and of course not all its laws will be met with equal enthusiasm. Added to this is the problem of the time taken for a law to be enforced, therefore the TDC is not able to control effectively without laws to back discipline and cooperation between the TDC and the private sector.

The TDC processes applications for licenses to operate tourist vehicles, limousines, taxis, tour coaches, hired and self drive cars, and processes entry permits for tour coaches from Singapore and Thailand, and facilitates tourist entries and movements within the country.

The TDC also receives complaints about tourist services from both users of these and the providers of these services. TDC will then direct the complaint to the attention of the authorities or persons involved,



thus acting as a mediator.

Perhaps the main function of the Enforcement Division of TDC is to regulate and control the price of the tourist product. In basic economics, an increase in price would result in the decrease in demand for the product. If an airline increases the price of its fare, it would undoubtedly affect the travel agents' sales of tickets which would then reduce the occupancy rate of the hotel at the tourist destination. The repercussions of the act of increasing the airfare goes on. Finally, almost every individual and firm in the tourist industry would be affected. The following are some laws enforced by the TDC on tourist enterprises:

1. Departments, governmental and non-governmental agencies dealing in tourist enterprises must submit reports regarding their activities.
2. Registration of tourist enterprises with the TDC.
3. Registration of tourist guides with the TDC.

The TDC regulates the designation of tourist hotels and tourist restaurants and the prescription of rates of rooms and other services rendered in such hotels or restaurants and requires such hotels and restaurants to display such information as may be required by the corporation. It also prescribes the amount of service charge that may be imposed by tourist hotels and tourist restaurants. The establishment and coordination of hotel or catering schools and other centres for training of persons for services to tourists and tourist enterprises is also regulated by the TDC.

To maintain close relations with regional and international organisations for development and promotion of the tourism industry the TDC participates actively in the research as well as the marketing activities of



these organisations. The TDC has eight overseas offices, known as TDC Information Offices overseas. These offices are located in Singapore, Bangkok, Tokyo (to serve Japan and Korea), Sydney, San Francisco (to serve the United States), London, Frankfurt (to serve Continental Europe) and Hong Kong (to serve Hong Kong and Taiwan). Their main role and function is to promote tourism into Malaysia. Evidently, this is a case of 'spreading the butter too thin'. A single office with a small number of personnel (usually 10 or less) and lack of funds to serve the regions is definitely insufficient to meet with the aim of selling Malaysia effectively. A similar problem is faced in attempting to promote Malaysia as a convention venue. Until there is a greater allocation of funds or a more efficient means of promoting Malaysia as a tourist destination there is no visible immediate solution to this problem faced by the TDC. As a result the Corporation is actively promoting Malaysia's tourist destinations to neighboring countries like the ASEAN countries, Japan and Korea as well as domestic tourism. And at the same time new tourist destinations are being developed in the country while existing ones are being improved. The Government complements TDC's activities with its own development projects with emphasis given to the development of communications facilities in the country.

With these various projects underway, Malaysia will have better destination alternatives and matching facilities to offer visitors within the near future.

\*\*\*\*\*



## Conclusion

Tourism is seen as an organized industry that caters to a clientele who have time and money and want to spend them pleasurably, and in leisured mobility. Modern tourism exemplifies human exploratory behaviour which includes much expressive culture such as ceremonials, arts, sports and folklore, as diversions from the ordinary which make life worth living. Tourism is therefore functionally and symbolically equivalent to other institutions that humans use to add meaning to their lives.

Tourist expansion takes place according to the needs and resources of productive centres and their people. With the creation of a tourist realm, various social interactions are set up between tourists, their hosts, and the organizations and societies they represent. These transactions, which can be long or short term, cyclical (eg seasonal) or noncyclical, and simple or complex (involving an elaborate tourist organization), come to be based on understandings about how the parties involved will treat each other and on the conditions that could bring the termination of the relationships.

Tourism may be seen as a composite product, as an amalgam of attractions, transport, accomodation and of entertainment. Each of these components is supplied by the individual hotel company, airline, travel agent or other suppliers and is offered directly to the tourist by them.

The advent of large-scale tourism necessitates the transfer of local control to a central government, which has the power to compete internationally for the tourist trade by offering concessions in the form of favorable taxes or negotiated land values to induce major hotel chains



to construct facilities. Government at all levels has the ability to selectively develop tourism and benefit one area or another when a potential tourist "attraction" is recognized.

This "ability" is expressed in the Tourist Dev. Corp. of Malaysia, the national tourist organization. The principal role of the TDC is one of guiding and channelling development in pre-selected areas in Malaysia and to establish controls and standards which will ensure that both private and public development will achieve the objectives of the industry.

The main work of the TDC is involved in the fields of marketing and development since the industry is still in its formative stage. As a major priority, the TDC functions to enhance and reinforce the existing tourism centres, with a longer range aim of developing additional centres throughout Malaysia. The development of the infrastructure of tourism is handled in such a manner that it also serves other sectors of the economy, for example, the industry helps to promote other local products, and of course society.

It is impossible to imagine the TDC functioning on its own since the tourism industry involves such a wide spectrum of individuals and groups. It has to therefore effectively coordinate these various individuals and firms to maintain and improve standards of the tourist product. The relationship between the TDC and other tourism related bodies must be one of 'give and take' if the industry is to continue to improve and expand, since both parties face various restrictions and limitations. The most glaring problem faced by the industry is the lack of funds especially in the case of local entrepreneurs and the TDC. This condition impedes the intended growth of the industry and can only be compensated for by the



availability of superb innovation in planning and policies to use the resources at hand to the fullest. Those at the helm of the organization of the industry therefore have to be very far-sighted in their plans and strategies and not allow costly mistakes as a result of unplanned and ad-hoc development since the number of visitors from industrialised countries visiting Malaysia is not expected to increase substantially in the light of increasing air fares and the sluggish growth of the world economy. Malaysia should be more aggressive in its effort to woo tourists to the region, so as to increase its share of the tourist market substantially. In view of its potentially significant contribution to the foreign exchange earnings of the country, the TDC should continue to develop the tourist industry through greater promotional, fiscal, administrative and training means as well as to improve infrastructural and other facilities available for the tourist industry.

As an immediate step the TDC could highlight the uniqueness of tourist attractions in the country with more effective promotional campaign and advertisements with the help of private advertising firms which have up-to-date knowledge of propensities to travel and can effectively act on this to increase touristic activities.

In the fiscal area, incentives and more preferential treatment could be given to encourage large investments preferably local, in the building of more international standard hotels, motels and recreational facilities and recreational activities at reasonable rates will be one of the main factors that could attract potential visitors to the country.

Another important area that tourists look for is efficient and honest



service during their stay. While Malaysia is noted for its warm and friendly people there is still room for improvement in the service that is provided. On a large scale, nationals have to be conditioned towards greater civic consciousness and adopt a healthier attitude and tolerance towards the 'kwai-loh' or 'Mat Salleh' and other such terms which are identified with the foreigners.

As the number of foreign visitors increases, the possibility of deleterious effects on the culture and environment of the country may be expected to increase correspondingly. Tourism development must be accompanied by potentially negative effects in terms of both cultural change and environment deterioration.

In planning for tourism, there must be vision. Investments are usually large and returns slow initially. Furthermore, unlike many other industries, in tourism we deal with people - people in an 'alien' environment to whom first impressions count a lot. This therefore calls for extra care and consultation.

As mentioned previously the industry faces various limitations and it is therefore difficult to predict the future of tourism in Malaysia, but with careful planning and extensive promotion, tourism in Malaysia should continue to flourish to achieve a tourist industry that will create true hosts and guests, and benefit both.

\*\*\*\*\*



## Bibliography

1. HOSTS AND GUESTS, THE  
ANTHROPOLOGY OF TOURISM  
- VALENE L. SMITH, EDITOR. Oxford, B. Blackwell, 1978.
2. TOURISM PAST, PRESENT AND FUTURE  
- BURKART AND MEDLIK
3. JOINT UNESCO WORLD BANK SEMINAR ON THE SOCIAL AND CULTURAL IMPACTS  
OF TOURISM. Washington D.C. 1976.  
Tourism - Passport to Development?
4. TOURISM - BLESSING OR BLIGHT?  
- Young, Sir George, Bart. 1941
5. THE MANAGEMENT OF TOURISM - A SELECTION OF READINGS  
- A.J. Burkart and S. Medlik.
6. TOURISM PROMOTION  
- G. SCHMOLL
7. MALAYSIA TOURISM DEVELOPMENT PROGRAMME VOLUME II  
- Tourist Development Corporation of Malaysia.
8. TOURISM TRENDS IN THE EIGHTIES  
- BAHARUDDIN MUSA - TDC (M'sia)



9. TOURIST STATISTICS 1982

- Research and Training Division. TDC of Malaysia.

10. SEMINAR ON ' KEEP MALAYSIA BEAUTIFUL '

- Tourist Development Corporation.

11. TOURISM DEVELOPMENT PLAN

- Tourist Development Corporation.



Other Sources of Reading

1. PRESS RELEASES

- Issued by the TDC

2. TRAVEL BROCHURES ON MALAYSIA

- Issued by the TDC